

Promoting Investment in Ginger Value Chain



Government of Nepal
**Ministry of Agriculture and
Livestock Development**



Background

The FAO's HiHi initiative, launched in October 2019, focuses on agricultural transformation and rural development to address poverty and hunger (SDGs 1 and 2). Nepal, identified as a priority country since 2021, is advancing agrifood systems through evidence-based strategies. Key investments in commodities like Large Cardamom, Ginger, Highland Potato, and Timur were highlighted at the FAO Investment Forum in 2022, with Nepal slated to present again in 2024. This project specifically emphasizes the cultivation of ginger, underscoring its critical role in Nepal's agricultural strategy.



Sector
Agriculture

Project Rationale

Contribution to Agri- GDP:

- Spices contribute 5.3% to agri-GDP, with ginger constituting half by volume
- 246 thousand holdings produced 279 thousand metric tons (2021)

Global Standing:

- Nepal ranks 4th globally in ginger production
- Trade Policy and Nepal Trade Integration Strategy prioritize ginger for exports

Geographical and Varietal Insights:

- Cultivated across Siwalik and Mahabharat ranges
- Varieties: Nashe (fiber-rich), Boshe (low-fiber); potential for geographical indications

Potential Growth Areas:

- Opportunity to increase cultivation area and double yields from 12.74 MT/ha.
- Allowing for economies of scale
- Export prices of ginger are nearly one-half US\$ per kg
- This price is lucrative, enhancing profitability

Advantages and Opportunities:

- Favorable geo-climatic conditions enhance quality
- Significant income source for small farming families, fostering inclusive development
- Scope for inter-cropping, organic production, and diverse processing

Value Chain Dynamics and Investments:

- High value per unit area; suitable for marginal lands
- Employment-intensive, impacting SDG targets positively
- Distribution of costs: Production, marketing, exports, processing

Project Outcomes



Enhances income and empowers communities via ginger cultivation



Expands market access and improves pricing for smallholder producers



Advocates for sustainable farming, conserving the environment, and biodiversity



Increases farmer income through value-added processing and packaging



Investments lead to higher ginger yields and economic gains



Improves both domestic and international market access for growers

Project Implementation Modality



Public Private Partnership (PPP)

Specific Approach adopted will depend on the investor's preferences and the project's requirements

- The private entity may act as an investor, financing the project.
- Alternatively, the private sector could operate as the producer, with funding sourced from multilateral organizations or other stakeholders.

Project Implementation Timeline



Project Ideation





Additional Information

Investment plan will be prepared followed by networking sessions for investors to connect directly with Ginger producers to potential investors.

By facilitating direct connections between investors and SMEs, FAO catalyze investment flows into the Ginger sector, driving innovation, expansion, and sustainability.

Relevant Agencies

- Food and Agriculture Organization of the United Nations
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- Ministry of Agriculture and livestock Development
Email: info@moald.gov.np
- National Planning Commission (NPC)
- Nepal Ginger Producers and Traders Association

About the Agency

Ministry of Agriculture and Livestock Development

The Ministry of Agriculture and Livestock Development (MoALD) is a governmental body of Nepal responsible for the growth and development of the agriculture sector in the country and making the country self-reliant in agricultural production. The Ministry began its operation institutionally in 1978 with the primary objective of translating policies and implementing programs related to agriculture development according to the country's needs and potential. Focused on achieving food security and poverty alleviation through a commercial and competitive agriculture system, the Ministry aims for high and sustainable growth by modernizing and diversifying agricultural production.

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